

# **THE LEONARD LETTER**

*April 17, 2006*

## **QUOTE OF THE WEEK**

*“No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.” --- Bill of Rights, Fifth Amendment to the Constitution*

## **UNDER THE DOME**

### **\*\*\*Dear Legislator, It's Tax Day\*\*\***

Dear Members of the California State Legislature,

Today, April 17, 2006, is the due date for personal income taxes. By midnight tonight, we will have sent off to the Franchise Tax Board this year's tax returns and a great deal of our hard-earned money, through withholding and perhaps even an additional check. This money will show up in the government accounts for which you have responsibility. Please treat all of this money as if you had worked to earn it yourself. Do not squander it. Do not use it to placate special interest groups. Do not think you have to spend it all immediately. We understand that you are presented with many conflicting "needs" for this money, just as we face more ways to spend money in our own households than we bring in. Don't do it! Have the discipline to make the hard choices; make the bureaucracies operate efficiently, avoid waste and be accountable; and invest in our future by building the infrastructure our families and our economy need. We need you to be responsible with the money we earn and entrust to you. In recent years that trust has been abused. This year, do something to help restore it.

Sincerely,  
The California Taxpayer

### **\*\*\*Westly as Chief Auditor\*\*\***

Controller Steve Westly may have opened a door for his opponents when he told the Sacramento Bee that he would balance the budget by auditing \$5 billion of savings out of state government spending. The Bee (see

<http://www.sacbee.com/content/politics/story/14243487p-15062268c.html>

rightly tagged him as seeking to be accountant in chief. The problem is that this is precisely the job of the state controller, the job he has right now. Has Westly audited even one state agency and, if so, has he forced that agency to spend less? If he had used the powers of his office over the last four years to go after wasteful government spending he would be very credible in arguing that he could do even more as governor. But after searching his website, I could find only one audit instituted by Westly on a state general fund agency. He announced in March of 2006 that he would audit the Department of Corrections health care spending. Considering that a federal judge has already ruled that this spending is out of control, it seems like a safe bet to audit.

## TAX TIPS

### \*\*\*Tax Help for Nonprofits\*\*\*

Most nonprofit organizations are run by volunteers and perhaps a few staff members who are driven by passionate commitment to a cause. None of these people are likely to be tax experts and, consequently, the cause to which the organization is dedicated can be jeopardized when tax laws are inadvertently skirted. To avoid this problem, I am hosting several free tax seminars for nonprofit and exempt organizations. Those involved in running nonprofits can learn how sales tax applies to their groups, whether they are eligible for property tax exemption, how to comply with the Nonprofit Integrity Act and raffle laws, and why nonprofit does not mean "tax exempt." For more information and to register for any of these events, go to

<http://www.boe.ca.gov/sutax/nonprofitsched.htm>

- April 27, 2006, 9am to 4pm  
Visalia Convention Center  
303 E. Acequia, Visalia
- May 4, 2006, 9am to 4pm  
Manzanita Place  
1705 Manzanita Ave., Chico
- May 11, 2006, 9am to 4pm  
Hilton Los Angeles/San Gabriel, Ballroom B2C  
225 West Valley Boulevard, San Gabriel  
(co-hosted by Board Member John Chiang)

## AROUND THE STATE

### \*\*\*Bragging Rights\*\*\*

*From the Bill Leonard Blog 4/13/2006*

Assemblywoman Judy Chu, who is also a candidate for the Board of Equalization in Los Angeles, put out a press release bragging that she was known by 21% of the 8 1/2 million

people (or at least the voters) in that district. Her opponent, Assemblyman Jerome Horton, responded that neither of them are that well known. I feel their pain. Jerome is probably right since the Board is such a low profile position, despite its power. Yet even if Judy is right, here we are just weeks away from the June primary that will determine which of them wins and 79% of voters have never heard of even one of the leading candidates. That's not a lot to brag about. This is the nature of many down-ticket races. With campaign laws limiting fund raising and spending, combined with weak press coverage of these races, the voters are left in the dark about the choices they are being asked to make.

### **\*\*\*'Netroots' Will Yield Political Victories of the Future\*\*\***

Steven Frank wrote a thoughtful piece on his blog, California Political News and Views about political communication. In it, Frank makes the case that to be successful in politics from this point forward, one must learn how to organize and communicate electronically. He calls this "Netroots" – a term he says the Democrats invented but Republicans should be embracing. He points out that both sides used the concept to good effect in the last major campaign cycle. The Democrats used it most effectively to raise money; Republicans to build support and enthusiasm. Frank sums it up, "Netroots is the next generation of political action. We reach volunteers through the Internet, in an organized and strategic manner. We can communicate, educate, motivate and coordinate without meetings, travel or time considerations. In the future no campaign school would be complete or worthwhile without a section on this word--to go along with coalition building, fund raising, opposition research, etc. Instead of a large staff of people, a few can do the job needed. A blog, a regular newsletter, alerts, information on a web site, talking points for the masses, and the job is done." The full piece can be found here: <http://www.capoliticalnews.com/discuss.php?id=370>

### **\*\*\*Union Facts\*\*\***

The mainstream media covers corporate corruption extensively. You can read regularly about CEOs being tried for cooking the books or ruining a pension plan. Yet, "In 2005, criminal charges and fines resulting from racketeering investigations hit five-year highs. During that time, more than 1,100 indictments have been issued, and more than \$400 million in fines and restitution has been awarded. Many of these cases involve union officials failing to protect their members from unethical pension scams, but the OIG [Department of Labor's Office of Inspector General] also reports that it saw a three-fold increase in the number of convictions in internal union racketeering cases between 1998 and 2004." Did you know that? Probably not, because that kind of corruption is simply not reported. If you are a union member curious about your own organization's financial status and whether your union has been accused of unfair labor practices, visit [www.unionfacts.com](http://www.unionfacts.com). This site gives you information about union leadership, including how many employees make more than \$75,000 per year as well as total compensation of the major officers, how the unions select their officers, how much they give in political contributions, and much more.

## MISCELLANY

### \*\*\*California County History\*\*\*

Fresno County was created in 1856 from Mariposa, Merced, and Tulare Counties. The area was claimed by Spanish missionaries in search of suitable mission sites, and it became part of the United States in 1846 after the Mexican War. The name “Fresno” means “ash tree” in Spanish and the area has plentiful mountain ash trees. While the area is naturally a dry desert, it is now one of the world’s most fertile agricultural valleys. Moses Church developed the first irrigation canals, which enabled extensive wheat farming. The raisin industry began there in 1875 when Frances Eisen accidentally let some of his wine grapes dry on the vine. Fresno County has more than 30 structures on the National Register of Historic Places, including the Fresno Water Tower, which once held over 250,000 US gallons of water for the city of Fresno. Among the state historic sites in the county: the state’s first junior college (Constructed in 1895, the school was known as Fresno High School from 1895-1921. Established as the first junior college of California in 1910, in 1911 it became a normal school, forerunner to Fresno State College; a memorial at the Fresno Assembly Center dedicated to the more than 5,000 Americans of Japanese ancestry who were confined at the Fresno Fairgrounds from May to October 1942, pursuant to Executive Order 9066, without charges, trial or establishment of guilt; and Fort Miller. (Now inundated by Millerton Lake, Fort Miller was established in 1852 as a temporary headquarters for the Commissioners during the latter part of the Mariposa Indian War. The peace treaty was signed there April 29, 1851.)

### \*\*\*A Good Read\*\*\*

Tomorrow is the 231<sup>st</sup> anniversary of Paul Revere’s midnight ride to alert the colonial countryside that the British were coming. This week’s recommended book, “The Tipping Point: How Little Things Can Make a Big Difference” by Malcolm Gladwell, calls Revere’s ride “the most famous historic example of a word-of-mouth epidemic.” Gladwell also reminds us of our history lessons: Revere was not the only rider that night, but he is probably the only one whose name we know and he was certainly the most effective rider that night. William Dawes rode to the west of Boston, carrying the same message as Revere, “[b]ut Dawes’s ride didn’t set the countryside afire. The local militia leaders weren’t alerted. In fact, so few men from one the main towns he rode through—Waltham—fought the following day that some subsequent historians concluded that it must have been a strongly pro-British community. It wasn’t. The people of Waltham just didn’t find out the British were coming until it was too late.” Gladwell’s book creatively explores why the Reveres of the world are successful and he concludes that “the success of any kind of social epidemic is heavily dependent on the involvement of people with a particular and rare set of social gifts.” He discusses Connectors, who know lots of people, and Mavens, who have special information about particular topics, and he compares how the information those people share with others works just like the spread of a viral epidemic. He also explores how messages actually find their audience, a

concept he calls “stickiness.” His explanations of why people smoke and how crime in the New York subway was reduced are particularly compelling and relevant for public policy makers, who are likely to implement ineffective solutions to problems when they do not consider the messengers and stickiness of issues.

## **BOE AND LEGISLATIVE DATES**

**April 17, 2006** --- Personal income tax deadline.

**April 17, 2006** --- Legislature reconvenes from spring recess.

**April 18, 2006** --- BOE meets in Sacramento.

**April 27, 2006** --- Free tax seminar for nonprofit and exempt organizations in Visalia (<http://www.boe.ca.gov/sutax/nonprofitsched.htm>)

**April 28, 2006** --- First day to file petitions in-lieu of the filing fee for independent candidates for the general election.

**May 4, 2006** --- Free tax seminar for nonprofit and exempt organizations in Chico (<http://www.boe.ca.gov/sutax/nonprofitsched.htm>)

**May 8, 2006** --- Absentee ballots begin to drop for the June 2006 primary election.

**May 11, 2006** --- Free tax seminar for nonprofit and exempt organizations in San Gabriel (<http://www.boe.ca.gov/sutax/nonprofitsched.htm>)

**May 14, 2006** --- Mothers’ Day.

**May 17, 2006** --- BOE meets in Sacramento.

**May 29, 2006** --- Memorial Day.

**June 13-15, 2006** --- BOE meets in Culver City.

**June 15, 2006** --- Budget bill must be passed by the legislature by midnight.

**June 27-28, 2006** --- BOE meets in Sacramento.

## **NOTABLE DATES/ HISTORY**

**April 17, 1492** --- Christopher Columbus signed a contract with Spain giving him a commission to seek a westward passage to Asia.

**April 17, 1853** --- The U.S. Marine Hospital at Presidio (San Francisco) was established.

**April 18, 1775** --- Paul Revere began his legendary midnight ride to Lexington and Concord, Massachusetts, to warn patriots that British troops were approaching. At least one dozen other riders participated in sounding the alarm.

**April 18, 1879** --- The trial of Standing Bear began. Chief Standing Bear's Ponca people were forcibly removed from their land in northern Nebraska in 1877 and sent to an Indian territory, but no food or shelter had been prepared for them there. Many Ponca, including Standing Bear's son, died during the harsh winter. Standing Bear led his remaining people back toward their homeland, but were arrested near Omaha. Standing Bear sued in U.S. District Court for his right to return home. Judge Elmer Dundy found in his favor, giving the rights of a U.S. citizen to a native American for the first time.

**April 18, 1906** --- The Great quake hit San Francisco and subsequent fires destroyed most of downtown. For an amazing view of the city taken by balloon some five weeks after the devastation, go to:

<http://quake.wr.usgs.gov/info/1906/images/sf06.city.html>

**April 19, 1775** --- The "shot heard 'round the world" was fired by British troops at Lexington, Massachusetts, beginning the American Revolution.

**April 19, 1866** --- Thousands assembled in Washington, D.C. to celebrate the Republican Party's abolition of slavery.

**April 19, 1971** --- Charles Manson was sentenced to life for the murder of Sharon Tate.

**April 19, 1982** --- American astronaut Sally Ride, a California native, was the first woman selected for the NASA program.

**April 19, 1993** --- After a 51-day siege, U.S. federal agents stormed the Branch Davidian compound in Waco, Texas. A fire broke out, killing at least 80 Branch members and leader David Koresh.

**April 19, 1995** ---A truck bomb blew up outside the Alfred P. Murrah federal building in Oklahoma City, Oklahoma, killing 168 people.

**April 20, 1871** --- The Republican Congress approved the Ku Klux Klan Act, outlawing Democratic Party-affiliated terrorist groups that oppressed African-Americans.

**April 20, 1902** --- Marie and Pierre Curie isolated the radioactive element radium.

**April 20, 1949** --- Jockey Bill Shoemaker won his first race (Albany, CA).

**April 21, 753 CE** --- Traditional date of the founding of Rome on the Capitoline Hill.

**April 21, 1836** --- Shouting, “Remember the Alamo,” General Sam Houston and his army of Texans defeated Mexican forces in the Battle of San Jacinto, winning independence for Texas.

**April 21, 1892** --- The first buffalo was born in Golden Gate Park.

**April 22, 1864** --- Congress authorized the use of the phrase, “In God We Trust” on U.S. coins.

**April 22, 1889** --- A gunshot signaled the start of the government-sponsored Oklahoma Land Rush; thousands of Americans rushed into the territory to claim land.

## **GENERAL TAX INFORMATION**

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate’s office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

## **HOW TO CONTACT ME**

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